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Federal Government Affairs

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April 14, 2004

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TWB-204
Washington, DC 20554

Re: Federal-State Joint Board on Universal Service, WC Docket No. 96-45;
1998 Biennial Regulatory Review – Streamlined Contributor Reporting
Requirements Associated with Administration of Telecommunications Relay Service,
North American Numbering Plan, Local Number Portability, and Universal Service
Support Mechanisms, WC Docket No. 98-171;
Telecommunications Services for Individuals with Hearing and Speech Disabilities,
and the Americans with Disabilities Act of 1990, WC Docket No. 90-571;
Administration of the North American Numbering Plan and North American
Numbering Plan Cost Recovery Contribution Factor and Fund Size, WC Docket No.
92-237, NSD FileNo. L-00-72;
Number Resource Optimization, WC Docket No. 99-200;
Telephone Number Portability, WC Docket No. 95-116;
Truth-in-Billing and Billing Format, WC Docket No. 98-170

Dear Ms. Dortch:

On Tuesday, April 13, 2004, Robert Quinn, Mark Lemler and I, all of AT&T, and Ellen Blackler and Jamie M. Tan, both of SBC, met with William Maher, Carol Matthey and Vickie Robinson of the Wireline Competition Bureau. The purpose of this meeting was to discuss the petitions filed by AT&T and SBC for a waiver from those provisions of the Commission's Universal Service Fund ("USF") rules that require adjustments to carriers' first quarter 2003 revenue projections to be submitted not later than March 20, 2003, so as to eliminate the effect of a first quarter 2003 projection error in the annual true-up process.

We explained that the forecasting error had no impact whatsoever on the setting of the first quarter 2003 USF contribution factor, nor on either carriers' USF contributions for that period, which were based on historical revenues through that quarter. We also reiterated that granting the

waivers is necessary to ameliorate the unanticipated effect of the rule which would unfairly penalize carriers that realized greater revenues in the first quarter 2003 than they had projected.

One electronic copy of this Notice is being submitted to the Secretary of the FCC in accordance with Section 1.1206 of the Commission's rules.

Sincerely,

A handwritten signature in black ink that reads "Amy L. Alvarez". The signature is written in a cursive style with a large, looping "A" and "z".

cc: William Maher
Carol Matthey
Vickie Robinson